

# **New Connection Services Consultation Report**

Published February 2019

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**1.**

# Introduction

**This document sets out Yorkshire Water’s response to the feedback we received during the consultation for the proposed changes to our New Connections Services Charging Arrangements for the period 1st April 2019 to 31st March 2020. Our framework continues to provide our customers with greater transparency for water and sewerage services and builds on the charging scheme implemented for 2018-2019.**

We see the rules as providing us with an opportunity to continue to develop a charging framework that benefits all our customers, whilst continuing to comply with Ofwat’s charging rules which came into effect from April 2018.

The purpose of this document is to provide a response to our stakeholders on the work we have been doing to engage and consult on our proposals. We have sought out customer opinions and feedback on our proposal through multiple channels to reach as wide an audience as possible.

Your views matter to us, we aim to be transparent and get it right first time. We welcome any comments you may have with our proposals and encourage you to get in touch. You can find our contact details at the end of this document, should you wish to contact us.

# 2. Background

**Defra provided updated guidance to Ofwat about their expectations for these charges. This enabled Ofwat to set new charging rules for New Connections Services, which we, and all other water and wastewater companies must follow when setting charges for connections.**

The Water Industry Act (1991) allows water companies to recover costs from its developer customers for providing relevant infrastructure for new developments, and connections to the water company's water and sewerage network. The charges and charges methodologies set out include any relevant miscellaneous and ancillary costs such as assessment, inspection, design, legal, supervision charges and traffic management. To provide you with a complete set of information, we have included any 'other charges' relating to new development functions, not covered under Ofwat's rules.

The charging rules provide us with an opportunity to continue to develop a charging framework built on Ofwat's four guiding principles:

- Fair and affordable
- Environmental protection
- Stable and predictable
- Transparent and customer focused

**3.**

# **Our Engagement and Consultation**

**Our Developer Services Team have been busy creating and improving our charging scheme for 1st April 2018 to 31st March 2019. We have listened to the feedback we received last year and have incorporated this into our proposal for this year.**

To reach as many of our customers as possible we have used multiple methods of communication and engagement. This has included an online survey, tracking website usage, face to face meetings with our customers, workshops and discussions.

Our consultation has been accessible on our website from 22nd November 2018 to 10th December 2018. The link has been made available as clearly as possible, directly accessible from our Developer Services homepage, as well as our dedicated Charges page. Our consultation was originally set to run for 2 weeks; however, we extended the closing date to give our customers more opportunity to participate.

As well as having open access to the consultation survey on our website, we directly contacted over 150 customers who we deal with on a regular basis, asking for their views and opinions on our proposal. These customers included Self Lay Providers (SLPs), New Appointments and Variations (NAVs) and developers.

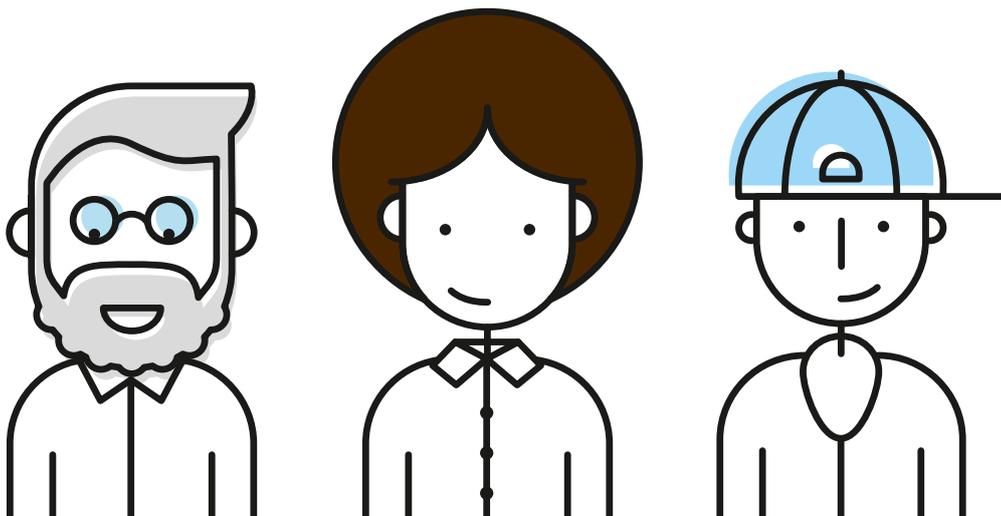
Our survey was short to encourage higher participation as we didn't want to take up too much of our customers' time, as we appreciate everyone is busy. To get a greater understanding of our customers and their opinions, we elected to add in an additional screening question.

Through this we have been able to see a breakdown of the type of customers who have completed the consultation. This has been a great benefit as it has enabled us to ensure we have reached as many different customer types as possible.

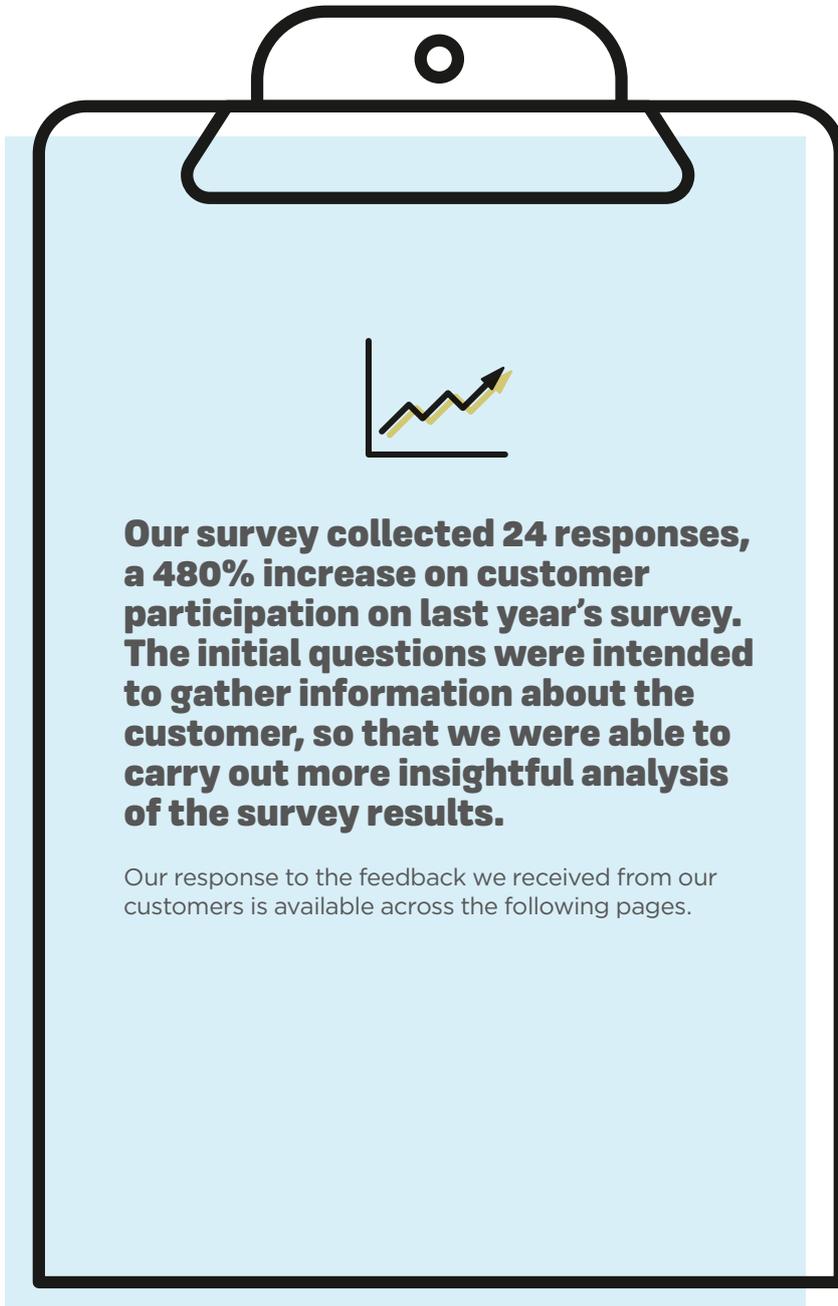
Our consultation aimed to gather feedback on how often our 2018-2019 document has been used, as well as customer opinions on the document itself - it's layout, usefulness, accessibility, and volume of information. We were also keen to understand how our customers compare our Charging Arrangements document to other water/wastewater companies.

Our questions on last year's documents focussed on three key themes; infrastructure charges, requisition charges and connections charges. Each section, whilst capturing information on a scale, also gave our customers the opportunity to provide comments.

We also asked our customers opinions on our proposals for 2019-2020, what we propose to change with our existing charges, we also included questions asking our customers views on what we propose to add to the document.

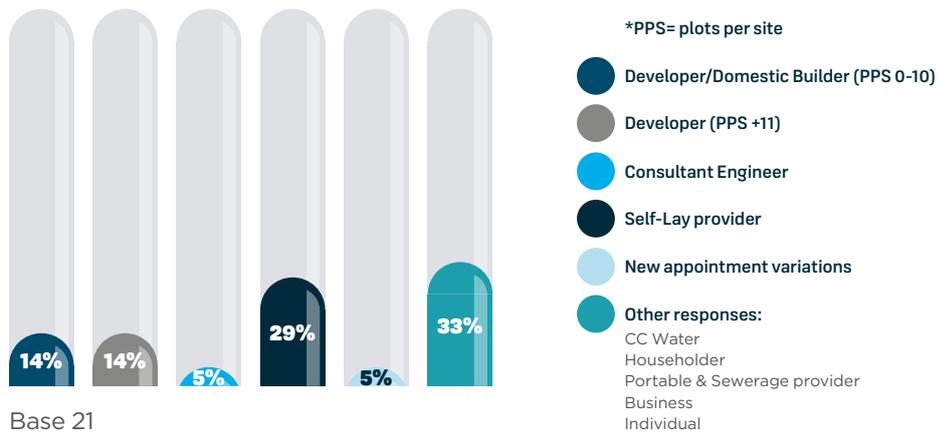


# **4.** **Results of Our Survey**



The following graphs display the responses we received to the survey questions we asked. We have also included our baseline response figures, showing the make up of each question, Customers were able to elect to skip questions. The first questions put to the customer were to gather some detail about the customer and ask about their interaction with our 2018-2019 document.

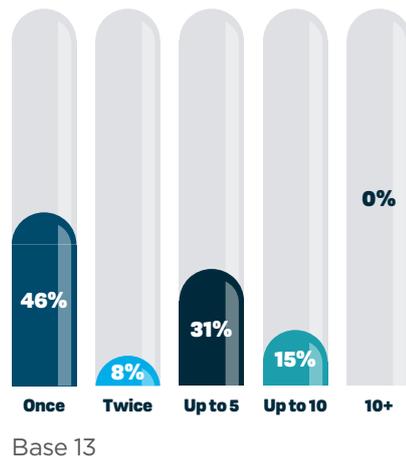
### Which of the following describes you?



### Have you read the document before?



### How many times have you read the 2018-2019 Charges document?

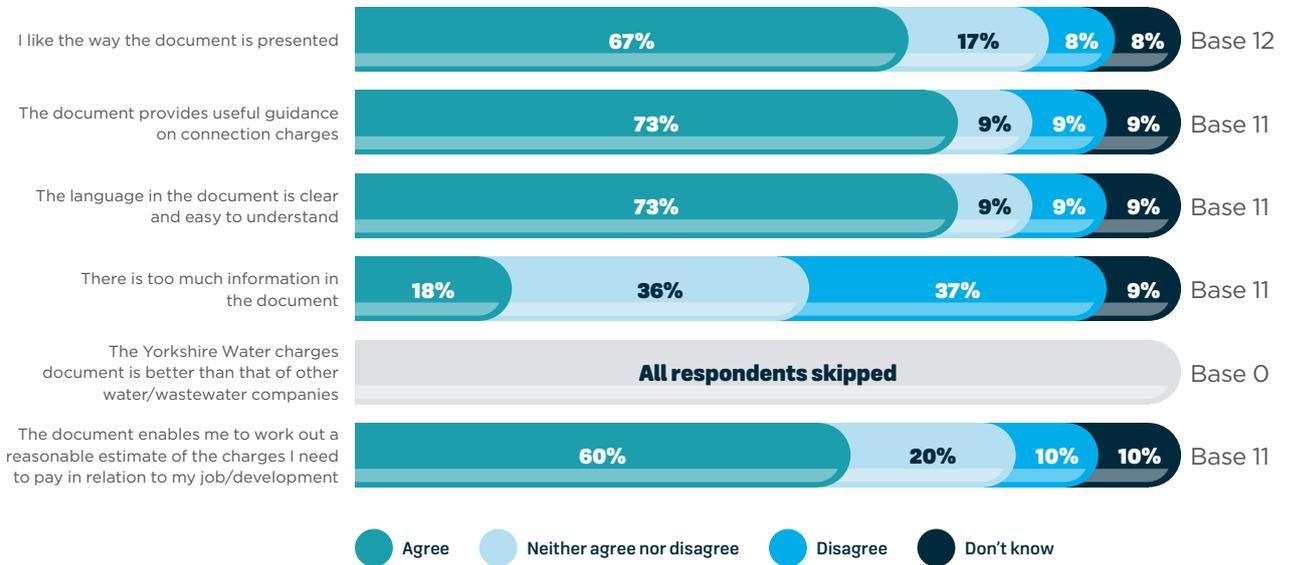


### Have you read the connection charges of other WASCs?



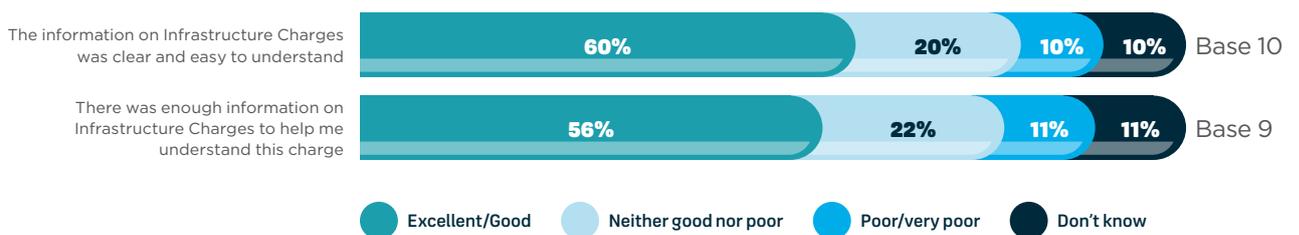
The above information shows that for the majority of our Customers, they were able to gather all of the information they needed in relation to our charges reading the document once.

### To what extent to do you agree or disagree with the following statements?



Taking on board customer feedback in relation to the volume of information in the document, we have worked to improve the layout and structure of the document for 2019-2020. Though the document has grown, the information is more accessible and we have included worked examples to help the customer.

### What are your thoughts on the below statements regarding the Infrastructure Charges section of the document?



Whilst the majority of customers believe our infrastructure charges are clear and easy to understand, there is still a large proportion that do not believe they are clear and easy to understand. We have therefore simplified the explanation for our customers.

### What would you improve about the Infrastructure Charges information?

Information is needed to explain when Infrastructure Charges do not apply, i.e. when surface water drains to a soakaway or watercourse via a private drain.

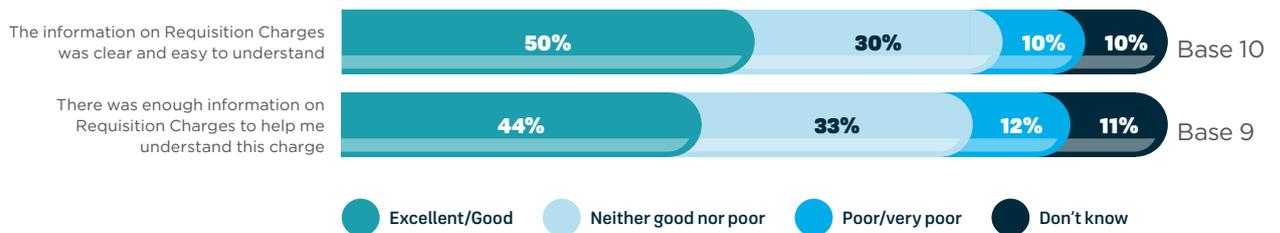
Not entirely sure on what the Infrastructure Charge will be per property, is it £75?

Grammar and spelling checks to be carried out - otherwise the document is very well presented

Your infrastructure charge should be set zonally to more accurately reflect your local costs to serve. Also this will ensure that your charges are not anti-competitive with full serve NAVs who may be seeking to serve new developments which are in locations that are more difficult for you to serve.

Current Information available on Requisition Charges;

### What are your thoughts on the below statements regarding the Requisition Charges section of the document?



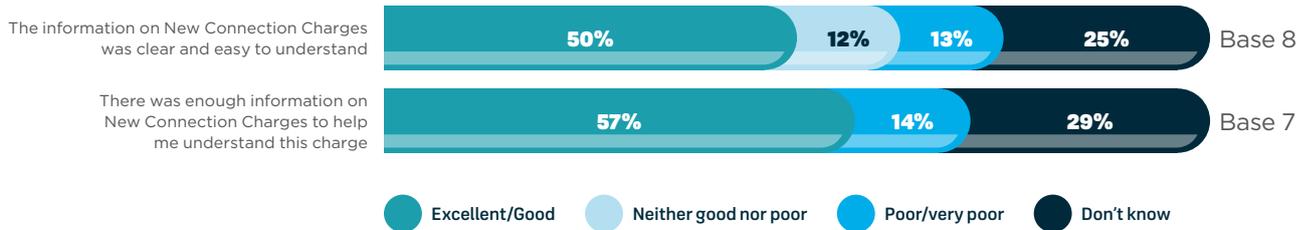
### What would you improve about the Requisition Charges information?

Give clarity on the scale charges for compensation payments to landowners

Customers have provided mixed feedback, so we have provided clear and transparent explanation of requisitions.

Current information available in relation to Connection Charges;

**What are your thoughts on the below statements regarding the Connection Charges section of the document?**



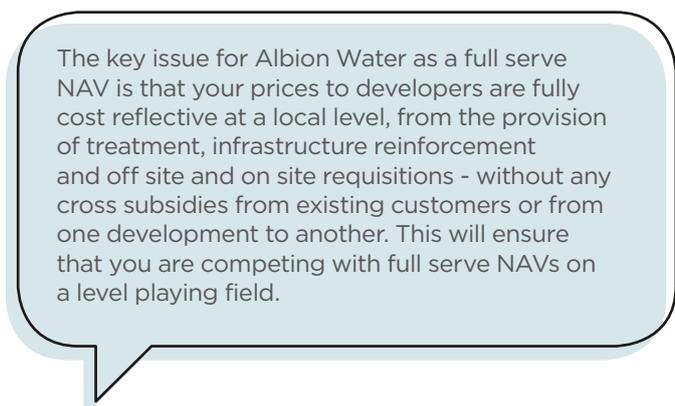
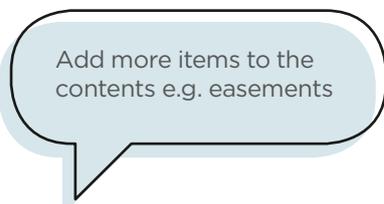
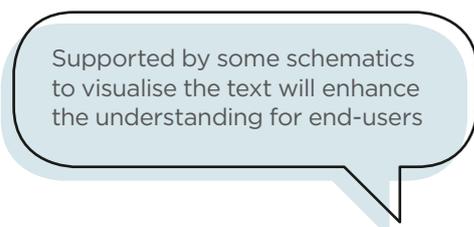
**What would you improve about the Connection Charges information?**



We asked our survey participants to provide comments on what changes they would like to see in the 2019-2020 Charging Arrangements document;

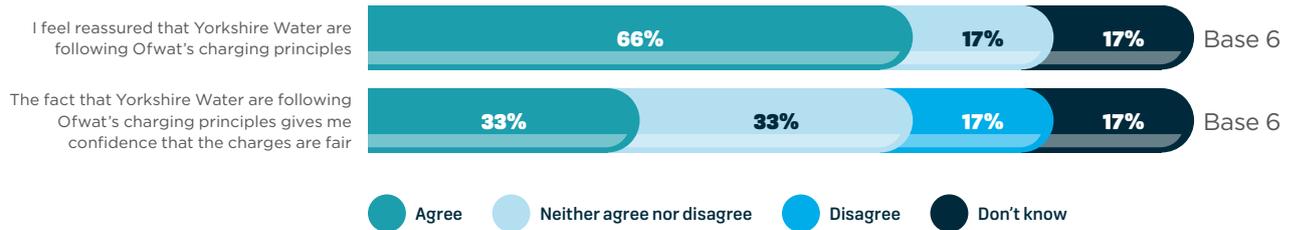
Customers have provided mixed feedback, so we have provided clear and transparent explanation of connections.

**Now thinking about the entire Connection Charges document, and the new version due to be released in January 2019, what improvements would you make to the current document to make it easier to read and understand?**

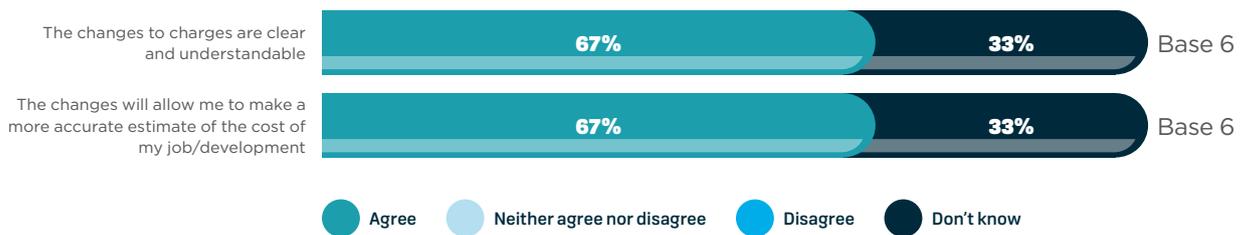


The second section of the survey asked the customer questions about the upcoming 2019-2020 Charging Arrangements document, how they feel we comply with Ofwat's guiding principles and Charging rules. We also asked our Customer's opinions on our proposed changes to the new document.

**Please state to what extent you agree or disagree with the following statements having read the information regarding following Ofwat's charging principles**



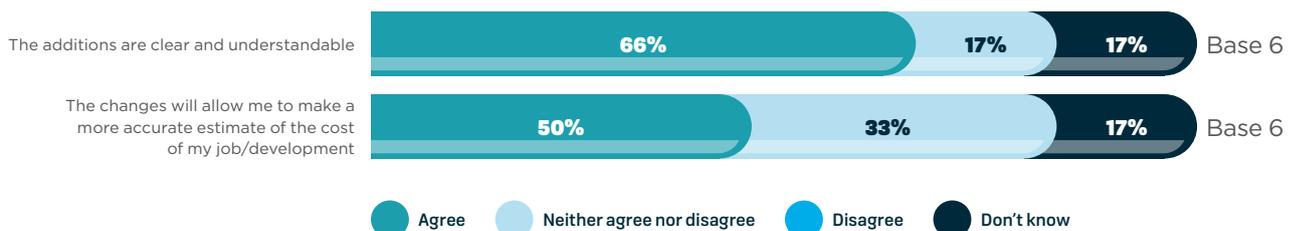
**Please tell us how much you agree/disagree with the following statements regarding the changes to the Charges Document we are proposing?**



It can be seen as a positive that on both questions 67% of customers agreed with the changes we made and were beneficial to the customer.

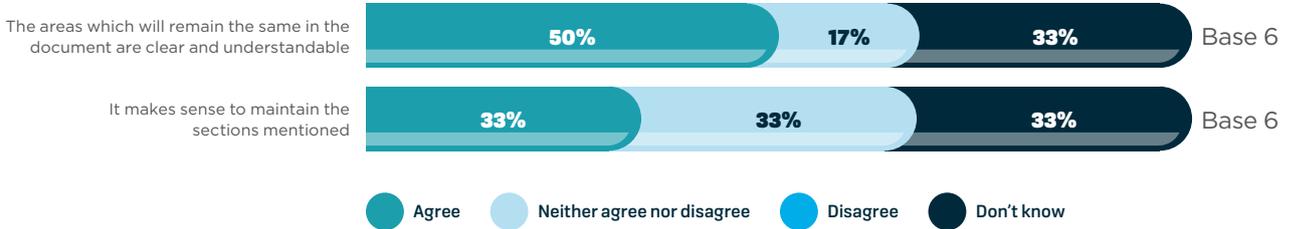
Questions on customer opinion on the changes to the charges that we are proposing to make, and the new items we are proposing to add to the 2019-2020 Charging Arrangements document; Easements, Trial Holes and Highway Permit Costs.

**Please indicate whether you agree that our proposed Supplementary Charges are reasonable and fair**



We clearly indicated to our customers the elements of our Charging Arrangements that we propose to maintain in 2019-2020, and their opinion on this;

**Please tell us how much you agree/disagree with the following statements regarding what we propose to maintain in our Connection Charges document?**

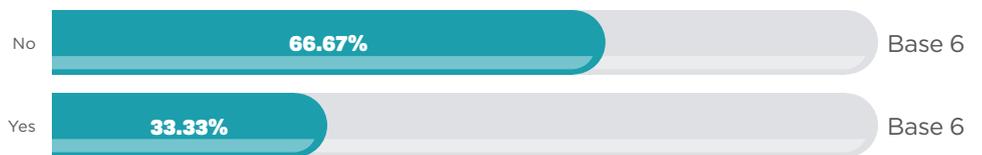


**Based on the previous charges, do you have any feedback on what we plan to add and maintain in our new document?**



We asked our customers if they were aware of the environmental incentives available;

**Are you aware of our current incentive which rewards Developer Services customers who promote housing with low water usage and/or a removal or reduction of surface water entering our sewers?**



**Are there any other ways we can encourage or raise awareness for developers to consider housing with low water usage and/or a removal or reduction of surface water entering our sewers?**



# 5. Website Usage

**In May 2018 a new version of our Developer Services website was launched. The new pages included an improved layout built from customer feedback, aiming to simplify and make the information we have available more accessible.**

An additional feature of the new layout is the ability to track the site usage. Usage information previously was not available, such as how many times a document is accessed, and how long on average a user would spend on an individual page has enabled us to make informed decisions on further improvements we have made to the website.

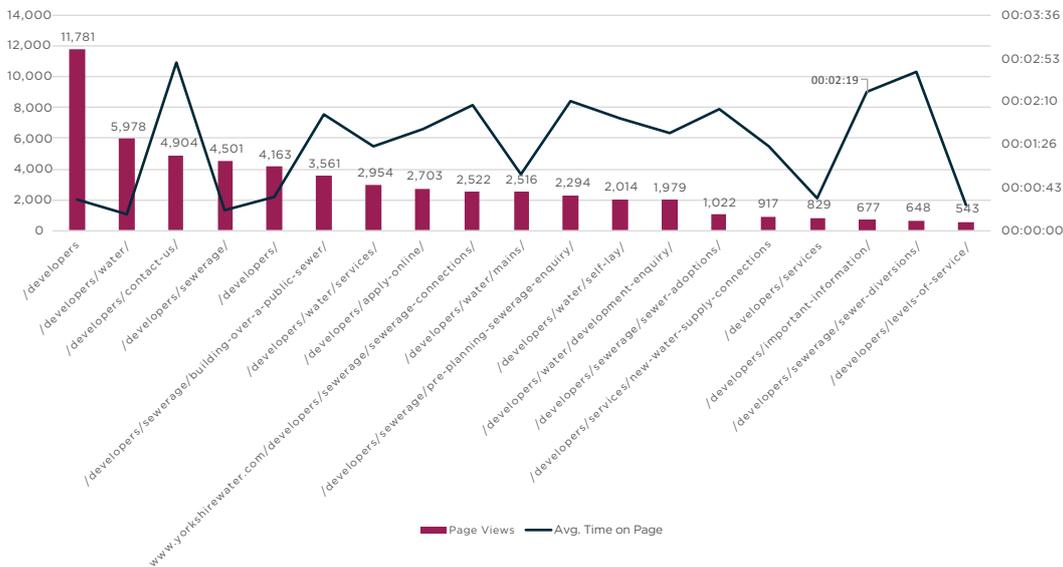
Through this we can see where our Charging Arrangements information is stored, and that it has been viewed 677 times since the new layout was implemented, with the customer spending 02:19 minutes on the page on average. With our Charging Arrangements document being downloaded 224 times in that period.

We received feedback from Customers and CCWater that our 2018-2019 Charging Arrangements were not easy to find on our website. Acting on this feedback, we have created a new menu tile on our website, solely dedicated to our Charging Arrangements. This new area will act as a repository for all of our information relating to charges.

It can be found by clicking the following link; [www.yorkshirewater.com/developers/developer-charges](http://www.yorkshirewater.com/developers/developer-charges)

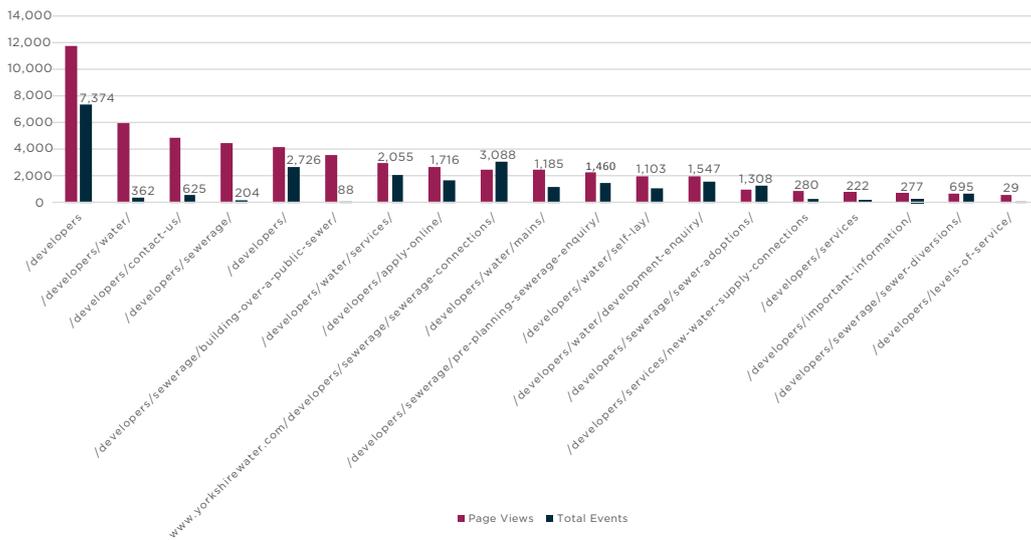
The graphs below give a snap shot of the analysis we have been able to gather from the usage of our website. From this we have worked to make our website clearer and easier to navigate for the customer.

Page Views & Average Time on Page, Top 20 : 23 May - 9 Dec



677 Page views over the date range that resulted in the documents being accessed 224 times.  
Customers spent an average of 00:02:19 on the page.

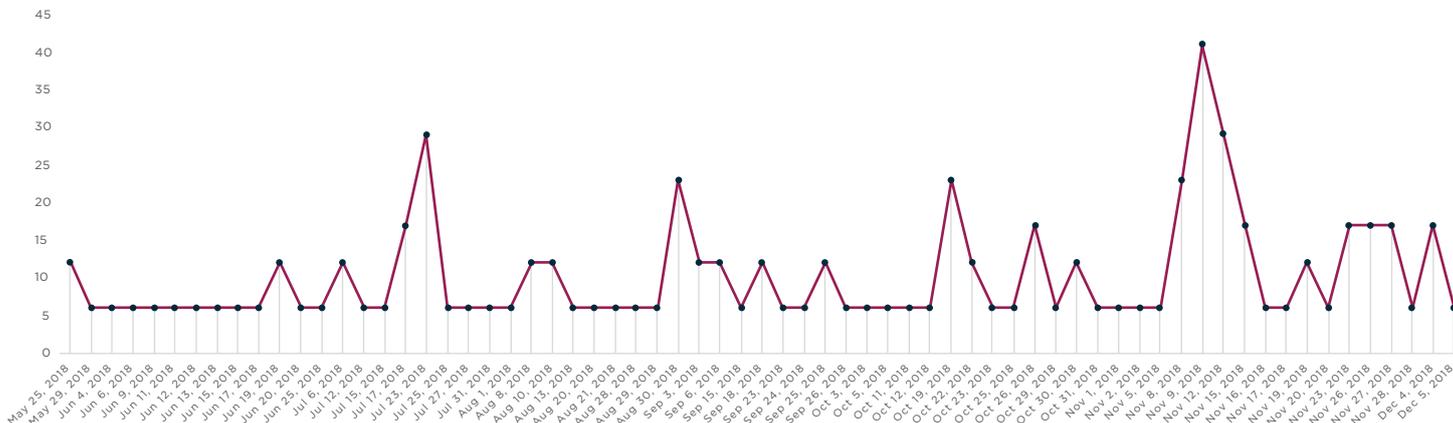
Page Views & Events Top 20 : 23 May - 9 Dec



Data labels refer to the number of 'Events' that happened on each page.

Events are user interactions with content that we choose to track. Downloads, button clicks and video plays are all examples of actions we track using events. There are three different bits of information that can be assigned to an event - the event category, the event action and the event label.

'Important Information' Page Views Over Time: 23 May - 9 Dec



# **6.** **Workshops**

## Following the publication of our Charging Arrangements 2018-2019, we held workshops with our customers to get their feedback on our proposals.

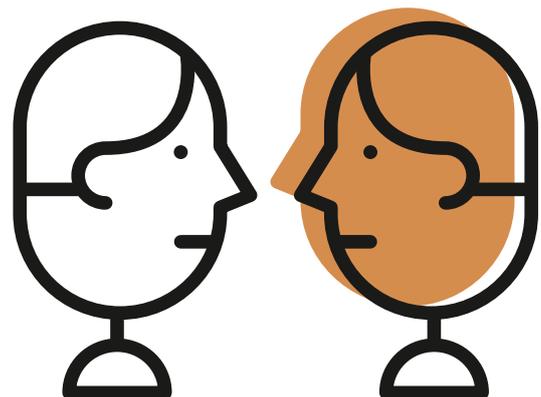
This was primarily held with Developer customers, and in the main this was to discuss the removal of income offsets, and the reduction of Infrastructure Charges to ensure overall, developers were not paying more than they had been paying under our previous Charging Arrangements.

As part of our consultation activities for our Charging Arrangements 2019-2020, we have again held workshops inviting customers to actively participate with us on a face to face basis. These workshops were held in early December 2018. In the workshops our proposals for the coming year were discussed in depth, and the customers were able to see a draft of our proposed document.

The attendees were invited to comment on our proposed changes to the Charging Arrangements, and on the look, feel and usability of our documentation. Through this engagement we aimed to ensure that our document reached a wide-ranging audience and was usable and easy to follow.

The workshop structure followed 5 general themes for discussion:

- Infrastructure Charges
- Charges Document (2018-2019) & Proposed Charges Document for 2019-2020
- Engagement
- Worked Examples to be included in 2019-2020 document
- Online Application Portal



# **7.** **Outcome of Consultation**

## Infrastructure Charges

Overall customers did not have concerns over the Infrastructure Charges and the removal of income offsets. Customers explicitly commented that they were happy that we have chosen to maintain our Infrastructure Charges for 2019-2020 and kept them the same as 2018-2019. It became apparent that the current description of Infrastructure Charges and Environmental Incentives were not transparent or easy to use - we have provided a response to this in Section 9 of this report.

Furthermore, we asked the opinion of the workshop attendees of changing our approach to infrastructure to be broken down zonally. Of the attendees the majority indicated that they would not like to see a switch to zonal charging.

## Charges Document (2018-2019) & Proposed Charges Document for 2019-2020

On being asked to provide their opinions on our existing Charging Arrangements Document, the overriding comment attendees provided was that they felt that the document can be improved, with better explanations and narratives of the functions we provide to make it more accessible to a wider range of customers - we have provided a response to this in Section 9 of this report.

In terms of our proposed changes to the charges for 2019-2020, the attendees did not voice any objections to our proposal for introducing a nominal increase to the 2018-2019 charges.

The customers also raised a desire to have all charges available in a single place within the document, so that they did not have to read the narrative if they didn't want/need to. This is something that we have incorporated into the charges document this year. We will also look at new ways in how we can do this for next year. For example, we will look to producing a much shorter version of our charges document which only includes the costs and worked examples.

## Engagement

It was discussed during the workshop that engagement on our Charging Arrangements should be a continuous consultation throughout the year, providing the Customer increased opportunities to voice feedback as they find it. We also discussed the possibility of hosting more regular liaison/workshops with our customers.

## Worked Examples to be included in 2019-2020 document

It is recognised in our last year's consultation that we provided worked examples of several scenarios to assist the customer in calculating costings for their own sites. However, we did not include these in our existing Charging Arrangements 2018-2019 document. Workshop attendees felt that this was vital information that went a long way to assisting the customer and would be a welcome addition to our 2019-2020 document.

During the workshop we showcased our Charging Arrangements 2019-2020 document and demonstrated the worked examples in our draft proposal. Feedback on this was very positive, and aided in clarification, interpretation and calculation of the required charges.

## Online Application Portal

During 2018 Yorkshire Water Developer Services has been building an online application portal, producing application forms on a regular basis. Whilst the system has been available since June 2018, we took the attendees through the process of registering a user account, and the process of using the portal to submit an application.

The portal gives the customer more options when it comes to submitting an application form, increasing the ability for the customer to effectively self-serve, and pay their application fees online, using our secure system, at the point of submission.

The workshop attendees fed back positively about this system, with some mentioning that they have already used the portal. Attendees expressed that they would like to see further developments to the functionality available to them.

# **8.** **Self-Lay Providers (SLPs)**

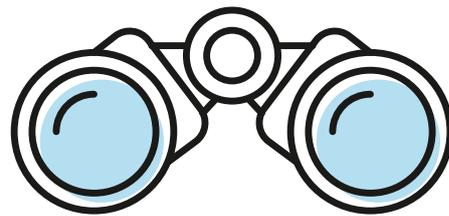
**For the delivery of contestable activities we encourage our customers to actively explore their options for the delivery of new connections services.**

We have taken on board feedback received from these groups of customers when producing our 2019-2020 New Connections Charges. This year we have tried to improve our Charges documents to make them clearer in the provisions we have in place for different customer groups, whilst emphasising to the customer the different options they have available.

We have engaged with Fair Water Connections and received their feedback through our online consultation. We have taken their feedback on board and will be engaging in a follow up discussion to showcase the changes we have implemented into our document.

We will also be discussing the concerns raised in a generalised format in the consultation workshop held on 14th December 2018. For this we have invited a range of our most frequent customers and will be discussing our proposal in detail with them.

We have also taken on board the comments provided, that we have had a relatively small consultation window, we appreciate that our customers are busy and their time is precious. In order to engage with a wider range of customers, we plan to start our consultation process earlier for the 2020-2021 charging scheme and will undertake multiple consultations with our customers during this process.



**9.**

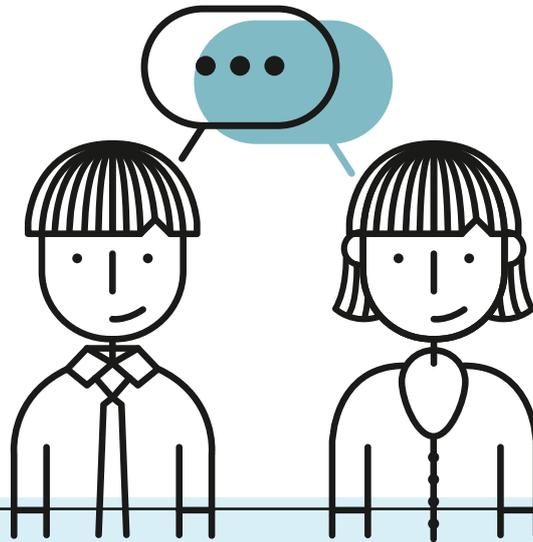
# **Our Actions Based on Customer Feedback**

Feedback received from our customers	Source of feedback	The action we have taken
Documentation not easy to find on website	CCWater	We have created a separate section on our Developer Services website solely dedicated to charges and labelled this clearly for the customer.
Clarity on Infrastructure Charges	Developer; Survey response	<p>We have provided a more succinct and clear explanation on our Infrastructure Charges. Giving the customer the information they require. We have removed the detailed workings of the Infrastructure Charge from the New Connection Services Charging Arrangements and in its place provided a summary page of the Infrastructure Charges. The full information is available in other charging documents and this has been made clear to the customer within our 2019-2020 document.</p> <p>Comments on the survey indicated that the customer was not entirely sure on what our Infrastructure Charges are per property. As above, we have displayed this information more succinctly in the 2019-2020 Charging Arrangements document. We feel that the summary page we have included in place of the full workings will make the information on infrastructure charges easier for the customer to use.</p>
Zonal Infrastructure Charges	NAV; Developer	<p>Through different methods of consultation, conflicting customer views became apparent. On one NAV response to the survey, zonal charges were requested, however, the majority of developers voiced a consensus for one flat Infrastructure Charge across the region. Therefore, the current Infrastructure Charge will be maintained, but further consideration into zonal charges will be undertaken.</p>
Environmental Incentives	Developer; Survey Results	<p>Similar to the Infrastructure Charge, clarity was requested on Environmental Incentives. Hence, we have updated our information within the Charging Arrangements 2019-2020 to clearly describe the environmental incentives available to our customers. The results of the survey, showing that 66.67% of respondents were not aware of the incentives on offer to them. We have set this information out more succinctly and clearly for the customer, with clear information on the incentives, and how the customer can provide evidence to claim the incentive. We have provided a link to the Water Calculator which the Customer can use to provide evidence of low water usage.</p>

Feedback received from our customers	Source of feedback	The action we have taken
Narrative / Explanation of charges	All	<p>Due to customer feedback, we have undertaken a full review of the existing New Connection Services Charging Arrangements 2018-2019 and improved on the level of information available. This has primarily focused on the narrative within the document and ensuring that we reach a wide range of our customers and are more transparent in the information we provide. We aim to make the charges more accessible in that the information will make it easier for the customer to understand the charges and apply them to their site/development. Without exception, this is the biggest change to our current document that we have undertaken. Feedback throughout the year, and the survey has validated that this was required and needed by our customers.</p>
Combined tables of all charges available within the document	Developer	<p>During the workshops customers raised the opinion that whilst an increase in narrative was important for making the charges accessible to a wider audience, some customers, who use the document on a regular basis would prefer a quick access and condensed compilation of the tables. The workshop attendees commented that they may read the narrative once but they would not need to read it all the time. As a result of this feedback, we have included an additional appendix within our New Connection Services Charging Arrangements 2019-2020 to meet this request. We have consolidated all of our charging tables and put them in a single location for easier access for our regular customers.</p>
Worked Examples	All	<p>It is recognised in last year's consultation we provided worked examples of several scenarios to assist the customer in calculating costings for their own sites. However, we did not include these in our existing New Connection Services Charging Arrangements 2018-2019 document. Workshop attendees felt that this was vital information that went a long way to assisting the customer and would be a welcome addition to our 2019-2020 document.</p> <p>For our New Connection Services Charging Arrangements 2019-2020 we have included several worked examples, covering a host of different situations that a customer may experience. We have also included a table of charges associated with each example which clearly demonstrates the charges, enabling the customer to apply these to their own site/development.</p> <p>During the workshop we showcased our New Connection Services Charging Arrangements 2019-2020 document and indicated to the attendees that the worked examples were included in our draft proposal. Feedback on this was very positive, and aided in clarification, interpretation and calculation of the required charges.</p>

Feedback received from our customers	Source of feedback	The action we have taken
Predictability of charges/ability of customer to calculate their own charges	All	<p>Due to customer feedback, whilst also reviewing the narrative of our document, we have also undertaken a review of the structure of our charges tables. Feedback indicated that they were not consistent across functions. We have since implemented a new structure to our charges for Water Service Connections to make them consistent with our Water requisitions tables and easier to use.</p> <p>Improving and simplifying cost information enabling customers to predict charges for development sites with greater ease.</p>
Request for an Index page to make the document easier to navigate for irregular users	Survey response	<p>We are not implementing an index page in this document; however, we have included a more detailed contents page. We feel that this more detailed contents will make the document easier to use.</p> <p>We have included a flow chart at the start of New Connection Services Charging Arrangements 2019-2020 document to make it easier to navigate for the customer.</p> <p>We have also included secondary contents pages at the start of each section. This provides additional information to the customer and will remove the need to go back to the beginning of the document to search for further items.</p>
Add more items to the contents	Survey response	<p>Similar to the above - we have included a more in-depth contents page, including more items. We have also implemented secondary contents pages at the start of each section for further ease of navigation.</p>
Grammar and Spelling Checks	Survey response	<p>We can only apologise for any spelling and grammar errors in the 2018-2019 Charging Arrangements document.</p>

# 10. Continued Consultation



**Whilst our consultation activities for our New Connection Services Charging Arrangements 2019-2020 have now come to a close, your views matter to us, and we want our engagement with you to be continuous and ongoing so that we can get it right first time.**

We welcome all comments and invite our customers to continue to provide their input on our New Connection Services Charging Arrangements 2019-2020. We also encourage our customers to provide feedback and comments on our consultation activities.

To do this, please email your views to [developer.services.charges@yorkshirewater.co.uk](mailto:developer.services.charges@yorkshirewater.co.uk)

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